THE HON'BLE SRI JUSTICE

P.S.NARAYANA

W.P.No.16435 of 2007

Dated:17.09.2007

Between

Sri Rama Krishna Travel Service
Rep., by T.Bala Sudershan Reddy

...Petitioner

and

1.General Manager, South Central
Railway, Rail Nilayam, Secunderabad
And others.

..Respondents

THE HON'BLE SRI JUSTICE

P.S.NARAYANA

W.P.No.16435 of 2007

ORDER:

This writ petition has been filed seeking a Writ of Mandamus declaring the proceedings of the Senior Divisional Commercial Manager, South Central Railway, Guntakal - 3rd respondent in proceedings No. G/C203/ RTSA/TPTY/1/2006, dated 24.10.2006 as arbitrary and illegal and consequently to direct the 3rd respondent authority to renew the licence of the petitioner.

2. This Court issued Rule Nisi on 2.8.2007 and a counter-affidavit was filed.

3. Though the matter is appearing under the caption 'interlocutory', with the consent of counsel on record, the writ petition is being disposed of finally.

4. It is stated that the petitioner is running a travel agency for the last three decades in the name and style of 'Sri Ramakrishna Travel Service' and eaking out his livelihood and has also employed six others. He requested the Railway authorities for grant of agency at Tirupati to book tickets. It is further stated that the South Central Railway Authority, Guntakal called for applications in the year 1995-96 in the daily news paper from aspiring agents by formulating certain rules and conditions. The Divisional Office, Commercial Branch Guntakal vide letter No.G/C.203/RTSA/95, dated 17.3.1997 appointed the petitioner as authorized agent for a period of three years. Thereafter, his licence was renewed from time to time, latest being from 1.7.2003 to 30.6.2006. As the licence is going to expire on 30.6.2006, the petitioner submitted a representation for renewal on 24.6.2006 to the Senior Divisional Commercial Manager, South Central Railway along with performance of last three years. As there was no response, he made

another representation on 8.8.2006. It is also stated that on 11.8.2006 the petitioner received a letter dated 11.7.2006 stating that the competent authority (DRM) has not agreed for extension, without assigning any reasons. Aggrieved by the same, the petitioner filed W.P.No.18199 of 2006 and this Court granted interim direction on 27.9.2006. It is also stated that the 3rd respondent without following the statutory rules and also Railway Board Instructions rejected the renewal of licence on 24.10.2006 on flimsy grounds. It is further stated that the licence of the petitioner was terminated without issuing any show cause notice. The Government of India vide letter dated 24.4.2006 addressed to the Chief Commercial Managers, all Zonal Railways directing them to renew the licences of RTSAs, which are due for renewal for a full term of three years subject to condition that as and when the new scheme is implemented it will have immediate effect. In such circumstances the petitioner had filed this writ petition.

5. In the counter-affidavit filed by the respondents, it is stated that the subject matter is pertaining to contractual matter. As held by the Apex Court in **National High Way Authority of India vs., Ganga Enterprises**[1] the disputes relating to contracts cannot be agitated under Article 226 of the Constitution of India. It is also stated that the contents of paragraph three of the affidavit are admitted except the averment that the petitioner is running the travel agency for the last thee decades. This averment is contradicted by petitioner himself in the same paragraph. The proceedings issued by the Government of India to all the Zonal Managers is related to internal correspondence, which are routine in nature. They do not confer any right on the petitioner. It is further stated this Court granted interim direction vide WPMP No.22860 of 2006 in W P No.18199 of 2006 dated 27.9.2006 . It is also stated that the allegation of filing false affidavit by respondents in WP No.18199 of 2006 is specifically denied and that the petitioner is making the false allegation with

a mala fide intention. It is further stated that a new scheme is introduced by Railway Board for providing additional facilities to the passengers; that head quarter's of SCR vide its Lr.No.C 576/P/RTSA/Vol.X/G1 dated 27.11.2002 clearly instructed the Divisional Railway Managers to deal with the RTSAs functioning within their Divisions. The letter also clearly stated that DRMs are in a better position to assess the requirement for appointment and renewal of RTSA's. The letter also pointed out that reservation of tickets through E.Seva Centers has to be considered; that subsequently many steps have been taken to provide better facilities viz.,

(a) UTS: Under this, unserved tickets can be purchased 3 days in advance of the journey;

(b) PRS: Reserved accommodation can be made upto 60 days in advance.

(c) Internet Booking: At nominated stations, the facilities of purchase of tickets through internet also provided on payment of prescribed fees.

(d) "E" tickets booking: Electronic ticket

booking is also provided.

(e) Tatkal scheme. All the above facilities resulted in the easy access to the passengers.

6. It is admitted in the counter that the licence of Mr.G.S.K.Agarwal, RTSA at Raichur is renewed for a period of one year. It is also admitted that the licence of Mr.Agarwal Tours and Travels is renewed for a period of one year and the avermtents of renewal of some agency in Hyderabad and some other agency at Mumbai is neither admitted nor denied for want of information. Regarding paragraph 6 of the affidavit it is stated that the licence is not terminated but the period of license expired by 30.6.2006. As such the alleged procedure prescribed under Rule 4 is not followed.

7. The competent Authority elaborately gave the reasons for the non-renewal of the RTSA license of the petitioner. More over, Rule deals with the issue of license but does not deal with renewal of license of RTSA's. As regards para 7 of the affidavit, it is stated that there is no termination of license as alleged by the petitioner, but the period

of license is expired by 30.6.2006. As such the respondents did not commit any illegal or arbitrary act beyond the scope of Rules prescribed for the appointment and renewal of RTSA's. The two agencies in Raichur are renewed because Raichur town is at a distance of 3 to 4 KMs from Raichur Railway Station itself. The license of the petitioner is already renewed for 2 terms. As such the respondents did not act in a discriminatory manner. The office of the petitioner's agency is situated within a distance of 100 meters from Tirupati Railway station. For this reason also respondents felt that renewal of the petitioner's agency is not necessary (Note: Pilgrims of Tirupati may get misguided by the RTSA because of his proximity at station). Two other RTSA agencies at Tirupati ie., the agency of Mr.Mitta Lokesh was terminated on 1.6.2007 and the agency of Mr.G.Ram Mohan at K.T.Road at Tirupati was also terminated on 30.8.2005. Regarding paragraph 8 of the affidavit, it is stated that the letter dated 24.4.2006 is not mandatory in nature. It simply speaks that renewal

may be given until the new scheme is implemented. That Railways have implemented new scheme of Railway Board for providing additional facilities to the passengers. Hence respondents felt it not necessary for the renewal of petitioner's licence. In regard to para 9 of the affidavit, it is stated that the 4th respondent implemented the procedure envisaged in letter No.C 576/RTSA/Vol.X G.1 dated 27.11.2002 issued by the head quarters of South Central Railway, wherein the Divisional Railway Managers are given discretionary powers to deal with RTSA's. Hence, specific stand was taken that the respondents did not violate any procedure nor committed any arbitrary action in issuing the proceedings dated 24.10.2006.

8. Strong reliance was placed on the decision of the Apex Court in **Inder Mal Jain v. Union of India**[2] where the validity of Railways Tourist Agents Rules, 1980 had fallen for consideration. Further reliance was also placed on the letter of Government of India (Bharat Sarkar) Ministry of Railways (Rail Mantralya) Rail Bhavan, Vide No.2004-TG-

1/23/P/Renewal, New Delhi, dated 24.4.2006, which reads as under:

> It is informed in this office of letter of memorandum dated 3.12.2004 wherein it was desired that zonal railways should continue to renew the licences of RTSAs which are due for renewal for a period of six months subject to the condition that as and when the new scheme is implemented, they will accept the terms and conditions of the revised RTSAs scheme.
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> In the mean time a Court case filed in Hon'ble High Court, Delhi by one of the RTSA against this decision, Hon'ble High Court has inter-alia observed and directed as under:
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> "…Even if the renewal is granted for the full terms of three years, it could have been subject to the conditions that as and when the new scheme is formulated and implemented their license would lapse.
>
> …The writ petition is allowed and the respondents are directed to renew the licence of the petitioner for a full term of three years subject to the condition that as and when the new scheme is implemented, it will have immediate effect…"

> Accordingly, the matter has been examined and it has been decided that the licences of RTSAs may be renewed for a full term of three years subject to the condition that as and when the new scheme is implemented it will have immediately effect i.e., RTSAs will have to accept the terms and conditions of the new scheme as and when implemented for the remaining period of their contract failing which their license would lapse from the date of implementation of the new RTSA scheme.

The statutory rules also had been placed before this Court and the learned Standing Counsel was unable to point out any contravention or violation of the statutory Rules.

9. In the light of the averments in the affidavit and also the stand taken in the counter affidavit, this Court is satisfied that the writ petitioner is entitled for the reliefs as prayed for in the writ petition and writ petition is hereby allowed. No costs.

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17-09-2007

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L.R. Copy to be marked.

[1] 2003 (7) SCC 410

[2] (1984) 1 Supreme Court Cases 361